

Date: Tuesday, March 31 2020 08:44 PM
Subject: Re: rent deferral request & upcoming 5 x A320neo SLB deliveries
From: jane.ocallaghan@amck.aero
Fanning, Robert <robert.fanning@flyfrontier.com >; Spencer Thwaytes
To: <spencer.thwaytes@flyfrontier.com >; Sashikumar Bindu, Sharath
<Sharath.Sashikumar@flyfrontier.com >;

Hi Robert,

I didn't receive a formal response to this email?

I note you don't have senior management support for the condition number 1 below but we are only approved by our shareholder to proceed with the rent deferral offer on 14 aircraft as described below.

We are not comfortable proceeding with closing on the 5 remaining sale & leaseback aircraft if they are going to go straight into storage for an uncertain period of time.

We really believe it's in both parties' best interests to defer delivery of these aircraft by 3-6 months.

We can issue the rent deferral draft to you but it needs to be understood by all that above is our shareholder position. We can agree to reduce the interest rate as discussed.

Best regards,
Jane

On 26 Mar 2020, at 12:42, Jane O'Callaghan <jane.ocallaghan@amck.aero > wrote:

Hi All,

I have left a couple of voicemails for you as I wanted to discuss the below.
Following a discussion with our shareholder, we are prepared to make the following offer of short term assistance to Frontier in response to your request, but with certain conditions attached.

We will agree to the Frontier request for 3 months' rent deferral, commencing April 2020, in respect of **14 of our 15 delivered aircraft (i.e. excluding the A320neo delivered on 16 March 2020)**, with such deferred rent to be paid over the subsequent 4 months, subject to the following conditions being met:

- with respect to the SLB aircraft that is scheduled to be delivered in April 2020 (MSN 9549), we will require 12 months' rent to be pre-paid upon closing/lease commencement, i.e. there will be a "holdback" from the agreed \$51M PP of approximately \$3M;
- with respect to the remaining 4 SLB aircraft that are scheduled to be delivered in May through July 2020, the delivery schedule will be delayed, between Frontier and Airbus, by 3-6 months; and
- any failure by Frontier to pay the deferred rent on time will constitute an EOD under the framework agreement and permit AMCK to terminate the delivery obligation for the remaining SLB aircraft; and
- deferral interest at 8% will apply to the deferred amounts

Finally, our Risk team would like to schedule a call, or perhaps you can provide written feedback, whichever is easiest depending on your availability, to address the following questions:

- What support are Indigo Partners going to give to the airline- capital injections etc?
- What is your current cash position? What other liquidity facilities are in place/in the process of being put in place?

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- How much of the fleet is now grounded?
- Can you provide the FYE 2019 financial statements asap?

Please let me know if you would like to discuss today?

Best regards,
Jane

Jane O'Callaghan | Chief Commercial Officer

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